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# Weekly Payroll Jobs and Wages in Australia methodology

Reference period Week ending 22 August 2020

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Released 8/09/2020

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## How data are collected

### Source

The Australian Taxation Office (ATO) receives payroll information from businesses with Single Touch Payroll (STP) enabled payroll and accounting software each time the business runs its payroll. The ATO provides selected business and job level data items from the STP system to the ABS for the production of statistics.

### Scope and coverage

Not all jobs and wages in the Australian labour market are captured within these estimates.

### Payroll jobs

Payroll jobs as reported to the ATO through STP are in scope of these estimates. All payroll

job holders regardless of age or Australian residency status are included. Persons reported via STP must hold either Tax File Number (TFN) or an Australian Business Number (ABN).

A payroll job is a relationship between an employee and their employing enterprise, where the employee is paid in the reference week through STP-enabled payroll or accounting software and reported to the ATO. Where an employee is paid other than weekly, the established payment pattern is used to include jobs paid in weeks outside the reference week.

Payroll jobs as reported via STP exclude owner managers of unincorporated enterprises.

Employers with 20 or more employees (large employers) commenced transition to STP reporting on 1 July 2018, with approximately 99% of large employers reporting through STP at the time of this release.

Employers with less than 20 employees (small employers) began transitioning to STP on 1 July 2019.

The ATO has made reporting concessions available for small employers where they:

- employ family members or other 'closely held' payees,
- are micro employers with one to four employees,
- employ intermittent or seasonal workers, or
- don't have access to a reliable internet connection.

As such at the beginning of June 2020, approximately 86% of small employers are reporting through STP.

Payroll reporting via STP is still relatively new and some employers have been granted concessions to enable a longer transition period to mandatory STP reporting.

In addition, payroll jobs reported in the Defence Industry (ANZSIC Class 7600) are excluded from these estimates by the ABS to better align with other [Labour estimates](https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/6150.0~Oct%202019~Main%20Features~Australian%20Labour%20Account%20Concepts~4) (<https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/6150.0~Oct%202019~Main%20Features~Australian%20Labour%20Account%20Concepts~4>)

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## Wages

The STP reported wages and superannuation associated with each payroll job are in scope of these estimates. The total wages concept broadly aligns with the [Australian System of National Accounts](https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/5216.0Glossary12015?OpenDocument) (<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/5216.0Glossary12015?OpenDocument>) (ASNA) definition of wages and salaries. Wages are

gross amounts, prior to taxation and deductions and include:

- salary payments and allowances,
- labour hire payments and foreign income,
- the value of payments in kind (where a fringe benefit amount is recorded)
- bonuses where they are reported in the same field as normal payments

The wages estimates in this release exclude payments to employee's superannuation and severance and termination payments (which are included in the ASNA wages and salaries).

More specifically, the following STP reported income items are included in the production of wages estimates;

- gross income amount (including bonuses),
- allowance income,
- fringe benefit amount (reportable, taxable),
- fringe benefit amount (reportable, tax exempt),
- other income (not specified),
- foreign income amount including tax exempt income,
- Community Development Employment Project income.

For further information on the treatment of individual items (such as fringe benefits) please see the Data Limitations and Revisions technical note.

## **Other data sources**

The STP data are enhanced by combining with other administrative data held by the ABS (also sourced from the Australian taxation system).

Age, sex and geographic variables are primarily sourced from Client Register data (supplied by ATO to the ABS as part of the transfer of Personal Income Tax data). When this information is not available, these variables are sourced from STP data.

Industry of activity variables of the employing business are sourced from the ABS Business Register.

## **How data are processed**

To produce estimates from STP data, a number of processes and treatments are applied.

### **Calendarisation**

The STP data are reported on a cash basis (the time when the payment was made) rather

than an accrual basis (the time when the payment was earned). Production of real time estimates require the conversion of STP data from a cash basis to an accrual basis. This is done through a “calendarisation” method. This method breaks down all records to a common period (daily), which allows the data to be aggregated and analysed for any longer period (e.g. weekly).

The calendarisation method includes the following steps:

- The periodicity, or payment frequency, is calculated using the start and end date of the payment period;
- A daily pay rate is then calculated by dividing the total payments by the payment frequency. For example, weekly pay is divided by seven;
- Where the start or termination date for a job occurs within the payment period, an adjustment is made to the periodicity for that job to exclude the days before commencement (or after termination).

## Imputation

In addition to cash reporting, the STP payment data that are extracted for a specific week cycle will be incomplete due to different payment and reporting frequencies. For example, a business with a fortnightly payroll will only report payments in alternate weeks in the STP dataset. As at August 2020, the data indicated that 31% of employees are paid weekly; 50% are paid fortnightly; 13% paid monthly; and 6% are paid quarterly or infrequently.

To produce reliable weekly statistics, an imputation method is applied to account for different payment and reporting habits which includes the following considerations:

- Business reported data is included for all employees paid weekly due to the 17 day lag between the reference week and the release of estimates. Actual payments for most employees paid fortnightly and some employees paid monthly are also available. Analysis indicates that STP data for the most recent reference week at the time of initial publication is approximately 75-80% complete and can take several months to be fully complete (i.e. quarterly STP reporters).
- Imputation is not applied for the small proportion of employees who are paid quarterly or infrequently as there is no established pattern of payment to extrapolate forward.
- If an employee has not yet had payment data reported and they have not been flagged for termination, it is assumed that their payment status is consistent with their previous reporting record. The previous calculated daily rate will be imputed for the current period.
- If an employee has no payment data reported for two consecutive pay periods, it is assumed that their employment has been terminated. Imputation previously applied for the first pay period with no data is subsequently revoked.
- No imputation is applied for new employees without historical payment information, until a pattern can be determined. This means that there is an inherent and unavoidable

lag before new payroll jobs appear in the data after their initial pay period. The lag is longer for new jobs with employers who have less frequent payment and reporting periods. This is accounted for via a coverage adjustment which is described further in the Data Limitations and Revisions technical note.

## Aggregation

Once STP data are converted via the calendarisation method and imputation is applied, the data are aggregated for each week (ending Saturday) to produce:

- Total payroll jobs, which is the average of the 7 days of payroll job counts.
- Total wages, which is the sum of all daily wages for the week. For employees who cease a job during the week, only the wages for the days worked are included.
- Average weekly wage per payroll job, which is calculated by dividing the total wages value by the total payroll jobs number.

## Creating payroll jobs and total wages indexes

Estimates are supplied as indexes to provide an indication of movements (rather than level estimates) during the COVID-19 period. In order to compare changes over time, the week Australia recorded its 100th confirmed coronavirus case (i.e. week ending 14th March 2020) is used as the reference period for constructing the indexes and given an index value of 100.0.

Indexes allow comparison of data between two points in time, the points in time can be adjacent (this week and the previous week) or many weeks apart. Movements in the index from one period to another can be expressed as either points or percentage change and these are rounded to one decimal place. The following example illustrates the method of calculating changes in index points and percentage changes between any two periods:

### Example calculation of percentage change using total payroll wages - Australia index numbers

|                              | Index number                  |
|------------------------------|-------------------------------|
| Week ending 4 July 2020      | 98.5                          |
| Less week ending 6 June 2020 | 95.4                          |
| Change in index points       | 3.1                           |
| Percentage change            | $3.1/95.4 \times 100 = 3.2\%$ |

These indexes differ from the ABS' suite of price indexes, including the Wage Price Index, which measure changes in price over time unaffected by quality or quantity and should not be directly compared.

## Accuracy

STP is a dynamic administrative data source, hence these estimates may be subject to the following sources of error:

- Conceptual misalignment. The Australian tax system is purpose-built and complex, and in some cases it is difficult to determine how a particular STP item should be used to describe impact on payroll jobs and wages. While all care is taken, some income items are subject to this type of validity error. Coherence with other sources indicates that this has a low impact on the aggregate series.
- Reporting error. This is likely to be present in both person and business information used. Most reporting errors are unable to be determined or corrected; however, coherence with other similar statistics demonstrates that this has a low impact on the aggregate series.

For further information, please see the Data Limitations and Revisions technical note.

## Coherence

There are differences between these estimates and similar statistics produced by the ABS. When compared to other ABS sources, the change in payroll jobs, change in wages paid and change in average weekly wage per job in these estimates may differ due to differences in the concepts, scope and methodology used. For example, these estimates:

- contain a combination of administrative data collected for taxation purposes from businesses, whereas other ABS data sources are compiled for the explicit purpose of producing statistics.
- exclude unreported cash in hand payments but which may be included in household and business surveys.
- may include information relating a reference week, rather than a particular point in time.
- are not currently able to be adjusted with respect to seasonality, unlike other Labour Force releases.
- provide a view of payroll jobs, whereas the Labour Force survey presents a view of employed persons. The difference being those people who hold more than one job at a time (i.e. secondary jobs).

For further information, please see the Understanding differences between Weekly Payroll Jobs and Labour Force employment statistics technical note.

## How data are released

All estimates are presented for weeks ending on a Saturday. Core estimates are released fortnightly on Tuesdays during the COVID-19 period (i.e. a 17 day time lag after the reference week). The ABS has worked to optimise both the timeliness and quality of these

data, however revisions in subsequent releases are necessary. Please see the Data Limitations and Revisions technical note for more information.

## Summary of outputs

The following core estimates are produced for each release:

- Payroll jobs and Total wages, which are presented as both percentage change movements and indexes.
- Average weekly wages per payroll job, for selected characteristics.

Estimates are available at the national, state and territory and [Australian and New Zealand Standard Industry Classification \(ANZSIC\) \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0) division level by selected personal attributes, including sex and 10 year age group.

Sub-state ([Australian Statistical Geography Standard \(https://www.abs.gov.au/websitedbs/d3310114.nsf/home/australian+statistical+geography+standard+\(asgs\)\)](https://www.abs.gov.au/websitedbs/d3310114.nsf/home/australian+statistical+geography+standard+(asgs)) Statistical Area 4) and ANZSIC sub-division level estimates are updated on alternate releases for payroll jobs only. These estimates are published on Wednesdays following the main release.

## Time series estimates

The estimates are presented as an original series only. Seasonally adjusted and trend estimates are not yet available. A number of years of data will be required before seasonal patterns can be observed and adjusted for.

The calendarisation and imputation methodologies applied to the estimates account for calendar related variations, such as the number of days in a month, and different payment frequencies.

## Revisions

The data underlying these estimates are revised for each release, and reflected in percentage change movements and indexes. Please see the Data Limitations and Revisions technical note for more information.

## Privacy and confidentiality

Legislative requirements to ensure privacy and secrecy of this data have been adhered to. In accordance with the Census and Statistics Act 1905, results have been confidentialised to ensure that they are not likely to enable identification of a particular person or organisation.

All personal information is handled in accordance with the Australian Privacy Principles

contained in the Privacy Act 1988.

## More information

For more information on this methodology please email [labour.statistics@abs.gov.au](mailto:labour.statistics@abs.gov.au) (<mailto:labour.statistics@abs.gov.au>)

## Acknowledgement

The ABS would like to acknowledge the critical support from the Australian Taxation Office (ATO) in enabling the ABS to produce these statistics.

## Accessibility

For more information about Weekly Payroll Jobs and Wages in Australia, please [contact us online \(https://www4.abs.gov.au/web/survey.nsf/inquiryform/\)](https://www4.abs.gov.au/web/survey.nsf/inquiryform/) or phone us on 1300 135 070.

## Technical note - Data limitations and related revisions

This technical note outlines data limitations and related revisions in the Weekly Payroll Jobs and Wages in Australia series. It will be updated, as required, in subsequent releases.

Weekly Payroll Jobs and Wages in Australia estimates are derived from Single Touch Payroll (STP) data, which is provided to the ATO by businesses with STP-enabled payroll or accounting software. While STP effectively supports employer reporting obligations and ATO operational requirements, the system is not primarily designed to support the production of statistics. As a result, it is important to note some of the inherent limitations of the data.

The ABS recommends that users exercise caution when focusing on the most recent weekly change as these reflect a higher degree of reporting variability, imputation and subsequent revision.

### Week on week revisions

The ABS receive weekly STP data from the ATO and the explanatory notes broadly outlines how the ABS processes these data to produce timely weekly payroll jobs and wages information on an accrual basis.

Payroll jobs and wages estimates (including percentage change movement and indexes) are



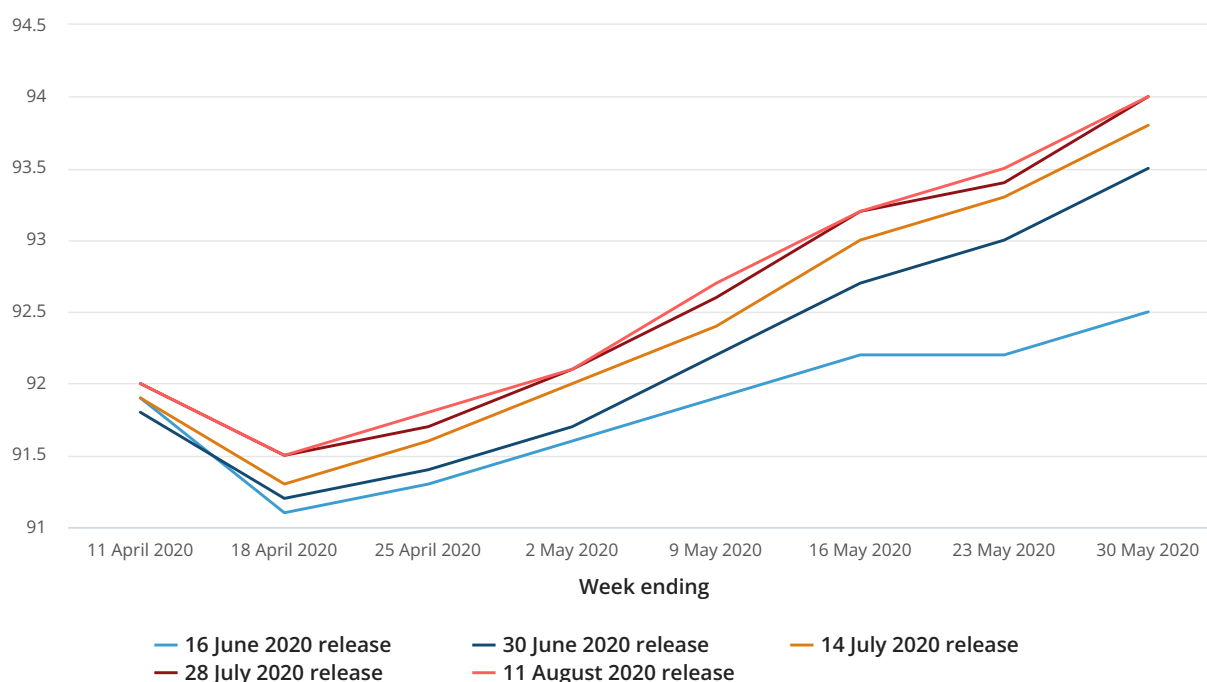
revised in each release across the time series.

These revisions arise from:

- the aim to release data as close as possible to the period when the activity occurred
- the receipt of more complete STP data over time
- the incorporation of newly available businesses in STP reported data (more information below).

To demonstrate the impact of revisions in the data, the change in national weekly payroll jobs indexes are presented in the graph below. The example presents the changes to the payroll jobs index for the week ending 30 May 2020. The index (as published in the 16 June release) was 92.5 and at the time of the 11 August 2020 release this index had been revised to 94.0.

**Graph 1 - Selected revisions to payroll jobs index between 11 April and 30 May 2020**



Revisions are more frequent and have the greatest impact on the most recently reported information. As time since the reference period increases and more business reported data

is received, the size of revisions decreases. Analysis indicates that the data for the most recent reference week at the time of initial publication is approximately 75-80% complete and can take several months to be fully complete (i.e. quarterly STP reporters).

To reduce the impact of week on week revisions, the ABS uses historical information to impute the most recent weeks data. The ABS is taking a cautious approach to imputation as factors influencing jobs can occur unexpectedly, for example, the surge in COVID-19 cases in Victoria in July.

## **Incorporating new employer reported data**

As new businesses commence reporting through STP, the ABS determines when the business appears in the dataset for the first time and distributes the year to date wages across all past payment periods for the financial year. This ensures that weekly estimates best reflect change in the labour market over time through payment activities, rather than changes in the uptake of STP reporting by the businesses. This approach necessitates revisions across the time series.

Similarly, there can be a delay for new employees to appear in the STP data. By analysing the data over time, the ABS applies a coverage adjustment for this as part of producing the indexes.

## **Reporting variability**

Wage estimates are subject to a higher degree of reporting variability and revisions than payroll jobs, reflecting a greater degree of seasonal variation in payments, and changes in working hours and overtime. While the ABS accounts for employees being paid with different frequencies (weekly, fortnightly etc.), there are points in the year when additional reporting activity is more likely to occur, which may flow through to published estimates.

Reporting variability is higher at the end of the financial year, especially in the final weeks of June, as some accrued earnings may be paid (or reported) as a lumped amount. This makes it more challenging to apportion some payments to the weeks they were actually earned, in a timely manner.

Reduced wages through May 2020, which are more pronounced in industries that were particularly impacted by COVID-19, may reflect a combination of:

- Reduced wages being paid by COVID-19 affected employers, who may also have reduced hours over the period - particularly for jobs that weren't eligible for JobKeeper support;
- Seasonal changes in wages (including bonus payments); and
- Potential payroll reporting changes for some employers during May. This could include changes to payment frequency or payment categorisation, both of which could affect the

imputation methodology and how payments are effectively apportioned onto an accruals basis.

The first 'JobKeeper' payments were received by employers in the first week of May 2020. JobKeeper monies paid to employees through STP-enabled payrolls are incorporated into the wages index. Backpay to employees reported by businesses in early May has been converted, as best as possible onto an accruals basis and reflected in revised wages estimates through April. Further information on the treatment of JobKeeper in ABS economic statistics can be found in [Economic measurement during COVID-19: Selected issues in the Economic Accounts, May 2020](https://www.abs.gov.au/statistics/economy/business-indicators/economic-measurement-during-covid-19-selected-issues-economic-accounts/may-2020) (<https://www.abs.gov.au/statistics/economy/business-indicators/economic-measurement-during-covid-19-selected-issues-economic-accounts/may-2020>).

## **Accruing end of financial year payments**

Towards the end of the financial year, unadjusted STP data includes higher than usual week-to-week changes in total wages paid. In particular, the reporting to the ATO by employers of fringe benefits tax amounts for eligible employees at the end of the financial year creates lumped payments that were visible in the week to week movements over June. This is most evident in the Health care and social assistance industry.

In preparing the Weekly Payroll Jobs and Wages release on 14 July 2020, the ABS determined that additional analysis was required to ensure these end of financial year payments are included in the wages series on an accruals basis. This treatment is consistent with the definition of wages and salaries used in the Australian System of National Accounts. As a result, the ABS applied a smoothing treatment to wages in the Health care and social assistance industry through June 2020 to minimise the influence of lumped payments in the estimates released on 14 July.

With the receipt of more complete data for the end of the financial year, the ABS has undertaken additional analysis and applied an adjustment factor to accrue reported fringe benefits tax amounts observed in the unadjusted data across the 2019-20 financial year. This enhances the existing calendarisation methodology. This factor has been applied to all records that included reportable fringe benefits tax amounts not just those in Health care and social assistance. This adjustment was possible as reportable fringe benefits tax amounts are separately identified in the STP job level dataset. This adjustment methodology is not possible for other end of financial year payments such as bonuses as they are included in the wages data in the period they are paid (noting that bonuses can be paid at any time) and are not currently readily distinguishable. With the exception of reducing the variability of wages indexes over the month of June 2020, this adjustment has a minimal

impact on the published indexes. More information about employer reporting of fringe benefits tax is available from the ATO website.

The adjustment factor will be applied for the upcoming financial year and will be revised at the end of each financial year using business reported data, potentially resulting in revisions to the indexes for the just completed financial year.

## **Data components, totals and index calculation**

STP data is linked to other information held by the ABS to derive demographic and business characteristics such as age group, sex, geography and industry. If a specific characteristic cannot be linked or derived, and does not appear on the STP file, it is assigned an 'unknown' category (for that characteristic).

Records with 'unknown' characteristics are included in the calculation of index totals for that category. As 'total' and 'component' indexes are calculated independently, the inclusion of records with 'unknown' characteristics in a 'total' index can result in independent movement from 'component' indexes. For example, the 'total' index of Persons is calculated from the combined levels of Males, Females and 'unknown' (persons for whom a Male/Female sex cannot be determined). As a result, the Persons index can move independently from Male and Female indexes, which do not include 'unknown' persons. The proportion of unknown characteristics may vary by characteristic.

## **Seasonality**

Weekly Payroll Jobs and Wages in Australia estimates are presented as 'original' data series. The release does not include the other standard time series types of seasonally adjusted or trend data that are found in other labour statistics releases (e.g. Labour Force).

Generally, three to five years of data are required before good seasonally adjusted data can be produced. Since Single Touch Payroll (STP) is a relatively new program (with most large employers moving to the platform during 2018-19 and smaller employers through the second half of 2019), it is not yet possible to produce seasonally adjusted series (with seasonal elements removed) or trend series (with both the seasonal elements and irregular fluctuations removed). This means that the changes in the estimates not only reflect COVID-19 related changes in the economy but also include seasonal changes in the labour market, particularly in wages.

Examples of seasonal characteristics which may be observed in the data include:

- High degree of seasonal change in the payroll jobs and wages data for January and February. Summer is a period of pronounced seasonality in Australia, with considerable labour market activity before Christmas, and a combination of public holidays, school

holidays and lower business activity in the period after Christmas.

- A number of public and school holidays in late April 2020 may have impacted on the level of wages paid during this period.
- Annual bonuses are more prevalent in the Mining and Financial and insurance services industries in March than other industries.

It is important to note that the increase in wages and jobs between January and March 2020 is not a result of more employers reporting through STP, as the methodology controls for changes in employer coverage to ensure that the index series are as comparable as possible over time.

## **Hours worked, job attachment and employment status**

STP data does not include information on hours worked or hours paid for. Analysis of monthly hours worked can be found in [Labour Force, Australia \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0), [Labour Force, Australia, Detailed \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.001\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.001) and [Labour Force, Australia, Detailed, Quarterly \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.003\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.003). STP data are also unable to account for job attachment where a payment has not been made, where a jobholder was temporarily stood down without pay.

The estimates do not include information on the employment status of employees, i.e. full time or part time. This will be explored as part of ongoing work between the ABS and the ATO. In the interim, this information is also available within the suite of Labour Force releases.

## **Acknowledgement of source**

STP data is supplied by the ATO to the ABS under the Taxation Administration Act 1953, which requires that such data is only used for the purposes of administering the Census and Statistics Act 1905. Any discussion of data limitations or weaknesses is made within the context of using the data for statistical purposes, and is not related to the ability of the data to support the ATO's core operational requirements.

These estimates also include Australian Business Register (ABR) data supplied by the Registrar to the ABS under A New Tax System (Australian Business Number) Act 1999, which requires that such data is only used for the purpose of carrying out functions of the ABS. Any discussion of data limitations or weaknesses is in the context of using the data for statistical purposes, and is not related to the ability of the data to support the ABR's core operational requirements.

The ABS would like to acknowledge the critical support from the Australian Taxation Office

(ATO) in enabling the ABS to produce these statistics.

## **Future work**

As the compilation of Weekly Payroll Jobs and Wages in Australia by the ABS evolves, there are reporting patterns which require further analysis that are not always possible to complete within the regular fortnightly release cycle. Outcomes from analysis may result in changes to methodology or revisions to data.

## **Technical note - Understanding the difference between weekly payroll jobs and labour force employment statistics**

The ABS is releasing experimental estimates of changes in payroll jobs and changes in wages in Weekly Payroll Jobs and Wages in Australia. The estimates are compiled in near real time and published fortnightly, using Single Touch Payroll (STP) data provided to the Australian Taxation Office (ATO) by businesses with STP-enabled payroll or accounting software each time the business runs its payroll.

This information provides complementary insights to the Labour Force statistics on employment. While changes in payroll jobs can provide an indication of changes in how employed the population is, it is important to remember that the measures are different.

The table below highlights key differences that should be considered when comparing changes in payroll jobs with changes in employment.

### **Table 1 - Weekly payroll jobs and wages in Australia and labour force statistics**

|                         | Weekly Payroll Jobs and Wages<br>in Australia  | Labour Force statistics  |
|-------------------------|--|--|
| Focus of the statistics | Payroll jobs.  | People.  |
| Types of employment     | Payroll jobs for which a payment was reported to the ATO through STP or there is an established payment pattern.               | <p>All employed people, including:</p> <p>Employees (including Owner managers of incorporated enterprises);</p> <p>Owner managers of unincorporated enterprises;</p> <p>Contributing family workers.</p> <p>Non-employees (OMUEs and CFWs) account for around 9% of employed people.</p> |
| Whether paid            | Only includes payroll jobs for which a payment was reported to the ATO through STP or there is an established payment pattern. | Includes all employed people who were paid or who had a job but weren't paid (on unpaid leave, temporarily stood down without pay, etc).   |
| Multiple job holding    | Each job is counted separately, irrespective of whether it is worked by a multiple job holder.                                 | Around 6% of employed people are multiple job holders, particularly young people.  |

## Glossary

### Show all

#### Accrual basis

Recording wages when they are earned, accrued or incurred regardless of when payment is made or received.

#### Australian Bureau of Statistics Business Register

A register of all Australian businesses and organisations maintained by the Australian Bureau of Statistics (ABS) for the purpose of producing statistical frames and business demography outputs. It contains identifying and classificatory data for each business and organisation.

Information to populate the ABS Business Register is largely sourced from the Australian Business Register.

The ABS Business Register consists of two subpopulations, the profiled population and the non-profiled population. The ABS Business Register uses an economic units model to describe the characteristics of businesses and the structural relationships between related businesses.

#### Australian Business Number

A unique identifier. To be entitled to an Australian Business Number (ABN), an organisation

must be one or more of the following:

- a company registered under the Corporations Act 2001
- an entity carrying on an enterprise in Australia
- a government entity
- a non-profit sub-entity for Goods and Services Tax purposes
- a superannuation fund.

A non-resident entity may be entitled to an ABN if they are carrying on an enterprise in Australia and/or, in the course of carrying on an enterprise, the entity makes sales that are connected with Australia.

### **Australian Business Register**

The data store containing details about businesses and organisations that have registered for an Australian Business Number. More information can be found on the [ABR website \(https://abr.gov.au/\)](https://abr.gov.au/).

### **Cash basis**

Recording the wage payment in the pay period when the payment was received by the employee.

### **Commencement and termination dates**

Commencement and termination dates associated with each job as reported through Single Touch Payroll.

### **Employee**

Persons who work for a private or public sector employer, where the employee has received payment in the reference week through Single Touch Payroll (STP) enabled software and reported to the Australian Taxation Office (ATO).

### **Employer**

An organisation with an Australian Business Number that provides employment income to one or more people, and reports through the ATO STP system.

### **Employment size**

A measure of business size, in terms of the number of employees within that business, as sourced from the ABS Business Register (ABSBR) (profiled and non-profiled populations). Employment size on the ABSBR is reported to the ABS by businesses in the profiled population, whereas the non-profiled population have estimated employment size (based



on wages and salaries information from the ATO). The methodology used by the ABS to create the employment business size categories is described in more detail in the explanatory notes of [Counts of Australian Businesses, including Entries and Exits](https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release) (<https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release>).

## **Geography**

Based on residential address as sourced from either the ATO Client Register or STP data. See also Statistical area entries. For more information, see the [Australian Statistical Geography Standard \(ASGS\): Volume 1 – Main Structure and Greater Capital City Statistical Areas](https://www.abs.gov.au/AUSSTATS/abs@.nsf/ProductsbyCatalogue/871A7FF33DF471FBCA257801000DCD5F?OpenDocument) (<https://www.abs.gov.au/AUSSTATS/abs@.nsf/ProductsbyCatalogue/871A7FF33DF471FBCA257801000DCD5F?OpenDocument>).

## **Industry**

A homogenous grouping of economic activities undertaken to produce goods and services. The [Australian and New Zealand Standard Industrial Classification](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0>) is used to classify an entity to an industry based on its dominant activity.

## **Industry division**

The broadest grouping of industries within the Australian and New Zealand Standard Industrial Classification. The main purpose of the industry division level is to provide a limited number of categories, which give a broad overall picture of the economy. There are 19 mutually exclusive divisions. For more information see the [Australian and New Zealand Standard Industrial Classification](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0>).

## **Industry sub-division**

The second broadest grouping of industries within the Australian and New Zealand Statistical Industrial Classification. Industry subdivisions are built up from the industry groups which, in turn, are built up from industry classes. For more information see the [Australian and New Zealand Standard Industrial Classification](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0>).

## **Job**

See payroll job.

## **Owner-manager of unincorporated enterprises (OMUE)**

A person who operates their own unincorporated enterprise, which does not possess a separate legal identity to that of its owner(s), or engages independently in a profession or

trade.

OMUEs can also be referred to as self-employed. Owner managers of unincorporated enterprises are not included in these estimates as they are not in scope of STP-enabled software reporting to the ATO.

Unincorporated enterprises are further defined in the [Standard Economic Sector Classifications of Australia \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/1218.0\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1218.0).

## **Payroll job**

A payroll job is a relationship between an employee and their employing enterprise, where the employee is paid in the reference week through STP-enabled payroll or accounting software and reported to the ATO. Where an employee is paid other than weekly, the established payment pattern is used to identify jobs in weeks outside the payment week.

## **Single Touch Payroll**

The Single Touch Payroll (STP) system sends taxation and superannuation information from a business' STP-enabled payroll or accounting software to the ATO as a business runs its payroll.

## **Sex**

Self reported sex of a person (i.e. male or female) as reported through the ATO taxation system. Categories other than male or female are not published separately in this release but are included in published totals. At this stage, it is not possible to produce estimates for non-binary populations.

## **Statistical area level 4**

Statistical area level 4 (SA4) regions are specifically designed to reflect labour markets within each state and territory within population limits. In regional areas, SA4s tend to have lower populations (100,000 to 300,000), while in metropolitan areas, SA4s tend to have larger populations (300,000 to 500,000).

## **Type of activity unit**

The statistical unit for more significant and diverse businesses in the profiled population. A type of activity unit (TAU) is a constructed unit that can practically group and report on homogenous production activities at the industry sub-division level.

In this publication, the TAU is used to represent employers in the profiled population.

## **Type of legal organisation**

All legal entities on the ABS Business Register are classified according to their type of legal organisation, of which there are three types:

- incorporated private sector entities
- unincorporated private sector entities
- public sector entities.

The type of legal organisation indicates whether a business is part of the private or public sector and the type of ownership structure. For more information see the [Standard Economic Sector Classifications of Australia \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/1218.0\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1218.0).

## Wages

Wages include salary payments and allowances, labour hire payments and foreign income, as well as the value of payments in kind (where a fringe benefit amount is recorded). Bonuses are typically included where they are reported in the same field as normal payments. Wages are calculated as gross amounts, prior to taxation and deductions.

Wages exclude payments to employee's superannuation as well as severance and termination payments. Wages are only available for payroll jobs and do not include income from own businesses or other sources.

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## Abbreviations

[Show all](#)

|          |   |
|----------|---|
| \$       | dollars   |
| '000     | thousand  |
| ABR      | Australian Business Register                                  |
| ABS      | Australian Bureau of Statistics                               |
| ABSBR    | Australian Bureau of Statistics Business Register             |
| ACT      | Australian Capital Territory                                  |
| ANZSIC   | Australian and New Zealand Standard Industrial Classification |
| ASGS     | Australian Statistical Geography Standard                     |
| ATO      | Australian Taxation Office                                    |
| Aust.    | Australia   |
| cat. no. | catalogue number  |
| ETFN     | Encrypted Tax File Number                                     |
| excl.    | excludes or excluding   |
| Govt     | Government  |
| ITR      | Individual Tax Return   |
| LE       | Legal Entity  |
| LEED     | Linked Employer-Employee Dataset                              |
| LFS      | Labour Force Survey   |
| m        | million   |
| NA       | Not Available   |
| no.      | number  |
| NSW      | New South Wales   |
| NT       | Northern Territory  |
| OMUE     | Owner manager of unincorporated enterprise                    |
| PIT      | Personal Income Tax   |
| pts      | Index points  |
| QBIS     | Quarterly Business Indicators Survey                          |
| Qld      | Queensland  |
| SA       | South Australia   |
| SA4      | Statistical Area Level 4                                      |
| SIH      | Survey of Income and Housing                                  |
| STP      | Single Touch Payroll  |
| Sub-div  | Sub-division  |
| Tas.     | Tasmania  |
| TAU      | Type of Activity Unit   |
| TOLO     | Type of Legal Organisation                                    |
| TFN      | Tax File Number   |

|           |                   |
|-----------|-------------------|
| Unincorp. | Unincorporated    |
| Vic.      | Victoria          |
| WA        | Western Australia |